

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Kermit Williams :
-vs- :
The Peoples Gas Light and Coke Company : 14-0429
Complaint as to billing/charges in :
Chicago, Illinois. :

PROPOSED ORDER

By the Commission:

I. Procedural History

On June 17, 2014, Kermit Williams (“Complainant” or “Mr. Williams”) filed a Complaint with the Illinois Commerce Commission (“Commission”) against The Peoples Gas Light and Coke Company (“Respondent” or “Peoples Gas”). Complainant alleges that he has been improperly billed in the amount of \$1,888.10 for gas service provided to his residence located at 9923 South State Street, Chicago, Illinois (“Property”).

Pursuant to notice given in accordance with the law and rules of the Commission, a prehearing conference was held on July 10, 2014 before a duly authorized Administrative Law Judge (“ALJ”) of the Commission at its offices in Chicago, Illinois. During the prehearing conference, the parties agreed to narrow the scope of the proceeding to the following allegations: (1) improper transfer of another customer’s balance to Complainant’s account; (2) failure to transfer a Low Income Home Energy Assistance Program (“LIHEAP”) grant to Complainant’s account; (3) improper billing due to the use of a British Thermal Unit (“BTU”) factor and a pressure correction factor; and (4) improper disconnection of service.

An evidentiary hearing was subsequently held on September 18, 2014. Complainant appeared *pro se* and testified on his own behalf. Respondent appeared by counsel and presented the testimony of Diane Harris (“Ms. Harris”), a senior customer service account representative for Peoples Gas and Edward Korenchan (“Mr. Korenchan”), the supervisor in the Gas Regulatory Services department at Integrys Energy Group, Inc. (“Integrys”). At the conclusion of the hearing on September 18, 2014, the record was marked “Heard and Taken.”

II. Evidence Presented

a. Complainant’s Position

i. Testimony of Mr. Williams

Mr. Williams testified that he established an account with Peoples Gas for gas service at the Property in his name in October 2013. Tr. at 110, 113. He stated that he

received his first bill in November 2013 and that this bill was for the first installment payment for a security deposit. *Id.* at 106.

Mr. Williams testified that Peoples Gas improperly transferred \$609.29 from the account previously established at the Property to his account without his authorization. *Id.* at 67, 73. He stated that this transfer from the account ending with 4693 to his account ending with 4365 was reflected on his December 3, 2013 billing statement. *Id.* at 71.

Mr. Williams took issue with Peoples Gas Exhibit 7, a copy of a customer service representative's notes, presented on cross-examination for impeachment purposes only. The notes indicated that during a call with a representative in the Call Center, Mr. Williams informed Peoples Gas that the previous account holder at the Property, his mother Ms. Willie Williams, had recently passed away and that he was assuming responsibility for the final bill issued to her account ending in 4693. *Id.* at 113, 114. Mr. Williams reiterated that he did not request to have his mother's account balance transferred to his account and that he has no control over what the representative noted in his account.

Mr. Williams testified that Peoples Gas also erroneously applied a \$509 LIHEAP grant that was approved for his account to his mother's account. *Id.* at 75. He stated that despite Peoples Gas' statements to the contrary, the grant was not applied to his account and his statement shows that it was not. *Id.* at 75.

Additionally, Mr. Williams testified that his bills are inaccurate because Peoples Gas uses a BTU factor to convert recorded meter usage into therms. *Id.* at 81. He explained that Peoples Gas does not show how the BTU factor is derived in the definition provided on customers' bills. He stated that he believes Peoples Gas is manipulating its calculation and using arbitrary numbers in its calculation. *Id.* He stated that he came to this conclusion based on his research on this issue.

Mr. Williams further testified that his bills are inaccurate because Peoples Gas delivers gas at a higher than normal pressure which causes abnormal meter readings. *Id.* at 90. He noted that the definition of pressure correction factor states that it is a factor used to compute the quantity of gas when it is delivered at a higher than normal pressure. *Id.* He stated that this definition which is provided on the back of Peoples Gas' bills shows that Peoples Gas is manipulating the pressure of its gas. *Id.* at 90, 91.

Mr. Williams concluded his testimony by stating that Peoples Gas improperly disconnected his service. He stated that his service should not have been disconnected because his bills are inaccurate and he does not owe the \$1,888.10 balance. *Id.* at 104. He conceded on cross-examination that he never made a payment on his account from the date his service was established in 2013 to the date that it was disconnected in 2014. *Id.* at 115.

b. Respondent's Position

i. Testimony of Ms. Harris

Peoples Gas witness Harris testified that she has been employed by Peoples Gas for 27 years. *Id.* at 124. She testified that in her current position, as a senior customer

service account representative, she reviews customer inquiries and handles complaints. Ms. Harris stated that Complainant's December 3, 2013 bill, Peoples Gas Exhibit 1, shows that there was a transfer of \$602.69 transferred from the account ending with 4693 to Mr. Williams' account. *Id.* at 127. She explained that this type of a transfer is generally made if a customer requests to have a final bill transferred to a current account. She stated that Mr. Williams must have requested to have the bill transferred because that is the only reason that Peoples Gas would have transferred this final bill to his account. *Id.* at 128. In an effort to resolve this issue, she stated that Peoples Gas decided to remove the transferred amount from Mr. Williams' account and a revised bill would be issued to reflect a reduction of \$602.69 from Mr. Williams' account balance. *Id.*

Ms. Harris testified that Complainant's December 3, 2013 bill indicates that a LIHEAP payment was credited to Mr. Williams' account on November 14, 2013. *Id.* at 129, 132. She testified that contrary to Mr. Williams' assertion, his service was properly disconnected for nonpayment on April 28, 2014. She noted that Peoples Gas sent Mr. Williams the required disconnection notices for nonpayment. *Id.* at 133, Peoples Gas Exhibit 3. She testified that Peoples Gas' internal records, Peoples Gas Exhibit 2, show that the LIHEAP payment of \$509 made on Mr. Williams' behalf was the only payment ever made on his account. She also testified that a credit was given for Mr. Williams' deposit due to his status as a LIHEAP grant recipient. *Tr.* at 134. She stated no other payments were made on Mr. Williams' account from the date his service was established in 2013 to the date that it was disconnected in 2014.

ii. Testimony of Mr. Korenchan

Peoples Gas witness Korenchan testified that he has been employed at Integrys, which provides support to Peoples Gas, for approximately 28 years. *Id.* at 158. He testified that in his current position as the supervisor in the Gas Regulatory Services department he handles most filings with the Commission, including tariff development. *Id.* at 159.

Mr. Korenchan testified that Peoples Gas uses a BTU factor to convert meter usage into therms as required by Peoples Gas' tariffs and 83. Ill. Adm. Code 500.280. *Id.* at 161, Peoples Gas Exhibits 4.0, 5.0, 6.0. He testified that this practice has been followed by Peoples Gas for over 40 years and it is also followed by the other major utilities in Illinois. He stated that a BTU factor is used to calculate therm usage as the heating value of the natural gas overtime. *Id.* at 166. Mr. Korenchan explained that the BTU factor is used because the utility's gas comes in through numerous different pipelines throughout the City of Chicago. The gas gets mixed together from different providers or different time frames and the heating ability of the gas can differ, therefore the factor is used as a way of standardizing the heating value of the gas. *Id.* at 161, 166.

According to Mr. Korenchan, the BTU factor is updated every month and filed with the Commission under Rider 8 of Peoples Gas' tariffs. *Id.* at 162, Peoples Gas Exhibit 5.0. He stated that the BTU factor is calculated as specified in Peoples Gas' tariffs and the Illinois Administrative Code. He noted that for each billing period, the monthly usage is multiplied by the BTU factor to calculate the therms used by a customer. He stated that Peoples Gas used this method to calculate Mr. Williams' bill.

Mr. Korenchan testified that a pressure correction factor is used to compute the quantity of gas when it is delivered at a higher than normal pressure. Tr. at 163. He stated that residential space heating customers, such as Mr. Williams, receive natural gas delivered at normal pressure and therefore an adjustment is not required using this factor. He explained that a pressure correction factor is typically used when an industrial or commercial customer requests and requires gas service at higher than normal pressure because of the nature of its usage. *Id.* Mr. Korenchan also explained that the pressure correction factor is required under Peoples Gas' tariffs and 83 Ill. Adm. Code 500.280 when applicable. *Id.* at 165.

III. Commission Analysis and Conclusion

Mr. Williams disputes Peoples Gas' charges of \$1,888.10 billed to him for gas service provided to his Property. Based on the evidence in the record, the Commission finds that Mr. Williams is responsible for all of the charges, except the \$602.69 amount transferred from his mother's account.

The Commission notes that Peoples Gas has agreed to remove the contested balance transfer from Mr. Williams' account and to reduce Mr. Williams' outstanding amount owed by this amount. The Commission believes this adjustment is reasonable and finds that Mr. Williams' account should be credited \$602.69 to reflect this adjustment.

The Commission finds that there is no evidence in the record to support Mr. Williams' other allegations. Mr. Williams' claim that Peoples Gas failed to apply his LIHEAP grant to his account is unfounded. The bill dated December 3, 2013 included in Peoples Gas Exhibit 2.0 clearly shows that the \$509 LIHEAP grant was credited to Mr. Williams' account on November 13, 2013. Mr. Williams did not provide any evidence to show that this was not the case.

Mr. Williams' claim that his bill is inaccurate because Peoples Gas converts meter usage into therms through a BTU factor is also unpersuasive. The record shows that Peoples Gas adhered to its Commission-approved tariffs and 83 Ill. Adm. Code 500.280 which both require the use of a BTU factor to convert meter usage into therms. As stated by Peoples Gas witness Karenchan, the calculation is not based on arbitrary numbers but rather computed monthly based on a calculation set forth in Rider 8 of Peoples Gas' tariffs. Thus, the Commission finds that Mr. Williams' bills were properly calculated using the BTU factor.

There is also no evidence in the record to support Mr. Williams' allegation that his bill is inaccurate because Peoples Gas delivers his gas at a higher than normal pressure. It is true that the definition set forth on the back of Peoples Gas' bills states that a pressure correction factor is used to compute the quantity of gas when it is delivered at a higher than normal pressure. The record shows, however, that Mr. Williams' charges were not calculated using this factor since residential space heating customers like Mr. Williams receive their natural gas delivered at a normal pressure. Moreover, Mr. Williams failed to show how the use of a pressure correction factor causes abnormal meter readings. Accordingly, the Commission finds that Mr. Williams' claim is without merit.

Finally, Mr. Williams' allegation that he was improperly disconnected is also unsupported by the evidence in the record. The record shows that Mr. Williams' service was disconnected for nonpayment pursuant to 83 Ill. Adm. Code 280.130. Complainant conceded that he never made a payment on his account from the date his service was established in 2013 to the date that it was disconnected in 2014. The only credits applied to his account were the \$509 LIHEAP payment made on his behalf on November 13, 2013 along with the credit applied for the security deposit based on his status as a LIHEAP grant recipient. Additionally, Peoples Gas provided evidence to demonstrate that it issued the required disconnection notices for nonpayment. Accordingly, the Commission finds that Peoples Gas properly disconnected Mr. Williams' service in accordance with Part 280 of the Illinois Administrative Code which governs disconnection of services for nonpayment and issued the appropriate notices required therein.

For these reasons, the Commission concludes that Mr. Williams' Complaint should be granted in part because his account should be credited \$602.69 to reflect the removal of the transferred balance from his account and denied in part because Mr. Williams' other allegations are without merit.

IV. Findings and Ordering Paragraphs

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Peoples Gas is a "public utility" as defined in the Public Utilities Act;
- (2) the Commission has jurisdiction over the parties and the subject matter of this proceeding;
- (3) the findings of facts and law reached in the prefatory portion of the Order are supported by the record and are hereby adopted as findings of fact and findings of law;
- (4) Mr. Williams' account should be credited \$602.69 and a revised bill should be issued to Mr. Williams;
- (5) Mr. Williams is responsible for the remaining amount of the disputed balance on his account for gas service provided to the Property; and
- (6) the Complaint filed by Mr. Williams against Peoples Gas on June 17, 2014 should be granted in part and denied in part.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Complaint filed by Kermit Williams against The Peoples Gas Light and Coke Company be, and is hereby granted in part and denied in part.

IT IS FURTHER ORDERED that The Peoples Gas Light and Coke Company shall credit Kermit Williams' account in the amount of \$602.69 and issue a revised bill to Kermit Williams that reflects this adjustment.

IT IS FURTHER ORDERED that any petitions, objections, or motions made in this proceeding and not otherwise specifically disposed of herein are hereby disposed of in a manner consistent with the conclusion contained herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-110 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final, it is not subject to the Administrative Review Law.

DATED:
BRIEFS ON EXCEPTIONS DUE:
REPLY BRIEFS ON EXCEPTIONS DUE:

June 1, 2015
June 15, 2015
June 22, 2015

Sonya Teague Kingsley,
Administrative Law Judge